

IN THE CLAIMS

Please amend the claims as follows:

1. (Currently Amended): A method ~~of selling~~ auctioning reinsurance products
electronically over a communication network, comprising the steps of:

identifying a reinsurance product based on information stored in a database associated
with a system;

determining, [[at]] by a server, capacity of the reinsurance product to be sold;

offering, [[at]] by the server, the reinsurance product for sale through an auction;

accepting, [[at]] by the server, bids from reinsurees for at least a portion of the
capacity, wherein the step of accepting bids includes,

providing, through [[a]] the communication network, a status for the bids of
the reinsurees, the status comprising one of OK, Partial OK, and Excluded, the status
OK representing that a bid will be accepted the status Partial OK representing that
only a portion of the capacity in a bid will be filled, and the status Excluded
representing that a bid will not been accepted, and

ranking, [[at]] by an auction ranking element engine, the bids of the
reinsurees, wherein the ranking of the bids at least considers a calculated profitability
value and a time stamp associated with each of the bids an older time stamp resulting
in a higher ranking for a given bid and a higher calculated profitability resulting in a
higher ranking for a given bid, and where profits for a provider of the reinsurance
product are maximized by selecting from pending and newly entered bids, the bids
that are most profitable; and

electronically consummating a contract, using the communication network, for the
sale of at least a portion of the reinsurance product to holders of winning bids, and assigning

each of the winning bids a status of OK denoting acceptance of a bid, or a status of Partial OK denoting only a portion of requested capacity will be filled; and

ending, by the server, the on-line auction in response to a determination that the capacity is consumed or a predefined date and time is reached, even if all of the capacity has not been sold.

2. (Original): The method of claim 1, wherein the reinsurance product is at least one of earthquake reinsurance, windstorm reinsurance and marine catastrophe reinsurance.

3. (Original): The method of claim 1, wherein the auction comprises an on-line auction.

4. (Original): The method of claim 3, wherein the auction employs the Internet.

5. (Original): The method of claim 3, wherein the auction is presented via a browser.

6. (Original): The method of claim 1, further comprising accepting bids from at least one of direct insurers and brokers.

7. (Original): The method of claim 1, wherein bids comprise at least a bid amount and an indication of the amount of desired capacity.

8. (Previously Amended): The method of claim 1, wherein the calculated profitability value associated with each of the bids is calculated based a return on sales ratio.

9. (Previously Amended): The method of claim 8, wherein the return on sales ratio is a selling price minus a fair risk price divided by the selling price or the selling price divided by the fair risk price.

10. (Original): The method of claim 8, further comprising changing a status of at least one bid.

11. (Original): The method of claim 10, wherein the status is one of OK, Partial OK and Excluded.

12-45 (Canceled).

46. (Currently Amended): ~~[[A]]~~ An online system for ~~selling~~ auctioning a reinsurance product electronically over a communication network, comprising:

a fair risk price calculator;

an auction and auction participant database;

an auction ranking element engine; and

a web server in communication with the Internet, wherein the fair risk price calculator provides information for calculating a minimum bid, the database stores information related to at least one auction for at least one reinsurance product, and the auction ranking element engine is operable to rank bids submitted to the database via the web server from reinsurees, wherein the ranking of the bids of the reinsurees at least considers ~~a calculated profitability value of the bids of the reinsurees, the calculated profitability value being a return on sales ratio being a selling price divided by the fair risk price, and a time stamp associated with each of the bids, a higher calculated profitability value for a given bid and an older time stamp for~~

~~the given bid resulting in a better ranking level when compared to another bid that has lower~~
~~calculated profitability value and a newer time stamp~~ a calculated profitability value and a
time stamp associated with each of the bids an older time stamp resulting in a higher ranking
for a given bid and a higher calculated profitability resulting in a higher ranking for a given
bid, and where profits for a provider of the reinsurance product are maximized by selecting
from pending and newly entered bids, the bids that are most profitable,

wherein the auction ranking element engine provides a status of a bid, and wherein a
status of OK denotes acceptance of a bid, a status of Partial OK denotes only a portion of
requested capacity will be filed, and a status of Excluded denotes that a bid has not been
accepted, and

the web server ends the on-line auction in response to a determination that the
capacity is consumed or a predefined date and time is reached, even if all of the capacity has
not been sold.

47. (Original): The system of claim 46, wherein the reinsurance product is at least on
of earthquake reinsurance, windstorm reinsurance and marine catastrophe reinsurance.

48. (Previously Amended): The system of claim 46, wherein the calculated
profitability value associated with each of the bids is calculated based a return on sales ratio.

49. (Original): The system of claim 46, wherein direct insurers submit bids to the web
server.

50. (Original): The system of claim 46, wherein a submitted bid comprises a bid
amount and a desired coverage amount.

51. (Original): The system of claim 50, wherein the auction ranking element engine determines whether the sufficient capacity remains to satisfy the desired coverage amount.

52. (Original): The system of claim 46, wherein the system is operated by or on behalf of a reinsurance company.

53. (Original): The system of claim 46, wherein the direct insurers participate as bidders for the reinsurance product.

54-56 (Canceled).

57 (New): The method of claim 1, further comprising:
setting a reference price for the reinsurance product; and
defining a ratio of a bid to the reference price that defines a variable index; and
using the variable index to define profitability, wherein remaining capacity of the reinsurance product is sold when the variable index is below 1.